

**Technology and Equipment Committee
Agency Report
Adjusted Need Petition for
Linear Accelerator Equipment in Service Area 6 in the
2026 State Medical Facilities Plan**

Petitioner:

CaroMont Health, Inc.
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Request:

CaroMont Health (“CaroMont”) requests an adjusted need determination in the *2026 State Medical Facilities Plan* (SMFP or “Plan”) for one additional linear accelerator (LINAC) in Service Area (SA) 6.

Background Information:

Chapter Two of the SMFP notes that during the summer, the Agency accepts petitions that “involve requests for adjustments to need determinations in the *Proposed SMFP*. Petitioners may submit a written petition requesting an adjustment to the need determination in the *Proposed SMFP* if they believe that special attributes of a service area or institution give rise to resource requirements that differ from those provided by the standard methodologies and policies.” Any person may submit a certificate of need (CON) application for a need determination in the *Plan*. The CON review could be competitive and there is no guarantee that the Petitioner would be the approved applicant.

According the standard LINAC methodology, an SA generates a need determination when it meets two of the following three criteria: 1) the population per number of LINACs in the SA is a minimum of 120,000; 2) total Equivalent Simple Treatment Visits procedures (ESTVs) in the SA divided by 6,750 minus the number of existing LINACs equals at least .25; and 3) at least 45% of LINAC patients seeking services reside in a county outside the SA where the treatment is provided.

There are a total of five LINACs in SA 6, which consists of Cleveland, Gaston, Lincoln and Rutherford counties. Atrium Health Cleveland and North Carolina Radiation Therapy Management Services – Forest City (“NCRT-Forest City”) operate one LINAC each. Three LINACs are operated by CaroMont: two located at the main campus of CaroMont Regional Medical Center (“CaroMont Regional”) in Gaston County and one at CaroMont Health-Lincoln Cancer Center (“CaroMont-LCC”) in Lincoln County. For the purpose of calculating need

determinations, the total volume of the three LINACs owned by CaroMont is combined in the *SMFP*.

Analysis/Implications:

Need determinations are based on the total utilization in the SA, rather than the utilization of individual providers or facilities. The Petitioner asserts that providers with high-volume facilities can be precluded from acquiring additional needed equipment if they are in an SA with low-volume facilities, especially facilities with consistently low utilization. According to the 2024 reporting year data submitted by CaroMont Health on its Hospital License Renewal Application (LRA), its total volume of 22,293 ESTVs includes 17,067 ESTVs on the two LINACs at CaroMont Regional and 5,226 ESTVs on the LINAC at CaroMont-LCC. This combined utilization is an average of 7,431 ESTVs per LINAC. Based on the 6,750 ESTV threshold in the methodology, CaroMont's total 22,293 ESTVs is equivalent to the capacity of 3.3 LINACs.

Table 1 details LINAC utilization in SA 6 for the past 10 years. During this period, NCRT-Forest City's utilization fluctuated - between 51% and 71% of planning capacity - but it has declined overall. Atrium Health Cleveland also experienced an overall decline in utilization. Yet, generally, its procedures per LINAC have been around the 6,750 ESTV threshold. Meanwhile, LINAC volume for CaroMont's facilities has grown 28.8%. In other words, two of the three LINAC providers in SA 6 have utilization that often approaches or exceeds planning capacity.

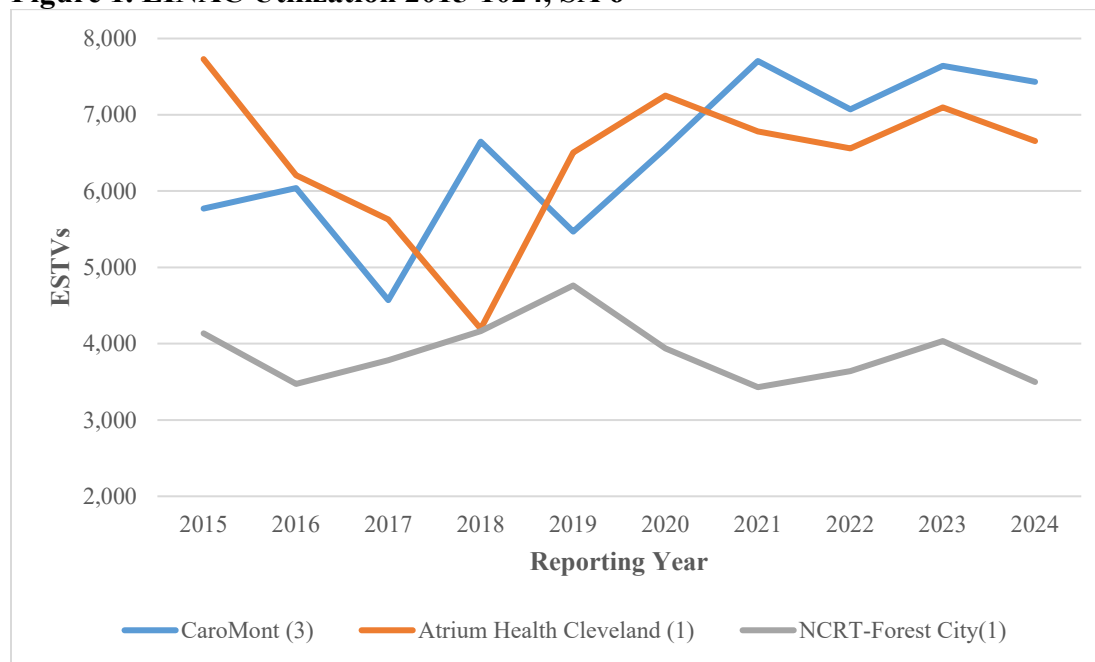
Table 1: SA 6 Trends in ESTVs per LINAC, Reporting Years 2015-2024

Reporting Year	Facility (# LINACs)		
	CaroMont (3)	Atrium Health Cleveland (1)	NC Radiation Therapy – Forest City (1)
2015	5,770	7,730	4,136
2016	6,041	6,209	3,474
2017	4,571	5,628	3,783
2018	6,649	4,196	4,163
2019	5,468	6,506	4,763
2020	6,559	7,253	3,939
2021	7,705	6,782	3,430
2022	7,070	6,561	3,642
2023	7,643	7,097	4,033
2024	7,431	6,657	3,499
Total % Change 2020-2024	13.3%	-8.2%	-11.1%
CAGR 2020-2024	2.5%	-1.7%	-2.3%
Total % Change 2015-2024	28.8%	-13.9%	-15.4%
CAGR 2015-2024	2.6%	-1.5%	-1.7%

Source: 2016 – 2025 License Renewal Applications and Registration and Inventory forms

Figure 1 illustrates the LINAC utilization patterns over the past 10 years for the facilities in SA 6. Utilization in all three facilities decreased from 2023 to 2024. However, CaroMont’s utilization has generally trended upward while utilization at Atrium Health Cleveland has fluctuated. Both facilities have followed a similar trend in the past five years, but since 2021, CaroMont’s utilization has been consistently higher. These data support the Petitioner’s assertion that consistently low utilization of the LINAC at NCRT-Forest City in Rutherford County is suppressing a need determination for services in SA 6.

Figure 1. LINAC Utilization 2015-2024, SA 6



Source: 2016 – 2025 License Renewal Applications and Registration and Inventory forms

Notably, NCRT-Forest City operates at about 50% capacity. However, in part because Rutherford County is approximately 80 miles from Gaston County, it is not likely to be feasible for many of CaroMont’s patients to be treated at NCRT-Forest City. In fact, the 2024 patient origin data shows that only 0.86% of the patients treated in Rutherford County are residents of Gaston County.

LINAC Service Area Configurations

According to the need determination methodology in the *SMFP*, a county is to be grouped with a second county if at least 45% of its patients receive services in the second county. There are two instances in the State where a provider offers LINAC treatment at the hospital in one county but also owns, operates or is affiliated with a satellite cancer center in an adjacent county. However, the LRA data reporting structure does not allow the reporting of patient origin data separately for each location. CaroMont’s facilities model this situation; the methodology can ascertain where Lincoln County residents are served, but it cannot identify the county of residence for the patients who are served at the Lincoln County facility. Therefore, not only are volumes across all three of CaroMont’s LINACs combined in the methodology, but Lincoln and Gaston counties are grouped in the same service area, regardless of patient origin data.

Finally, the Agency addresses CaroMont's position that Lincoln County should be grouped with counties in SA 5¹ rather than with SA 6 in the *Proposed 2026 SMFP*. CaroMont's rationale is based on 2023 reports of patient origin data, which was used in the *2025 SMFP*. It indicated 68.94% of LINAC patients who were Lincoln County residents received services in Catawba County. As noted in the Petition, the 2024 patient origin data, used in the *Proposed 2026 SMFP*, was not publicly available by the petition submission deadline. In fact, the more recent reports of patient origin show that 52.66% of Lincoln County residents who received LINAC treatment were treated in Gaston County and only 8.96% were treated in Catawba County. Thus, even if there were no exception for how CaroMont's LINACs are grouped in the *SMFP*, the service area configuration that groups Lincoln with Gaston, Cleveland and Rutherford counties in the *Proposed 2026 SMFP* would still be correct.

The Chair of the State Health Coordinating Council plans to form a workgroup this Fall to address policy issues related to LINACs. The workgroup may opt to consider concerns raised in the petition. However, this Petitioner has demonstrated that low utilization on existing LINACs in SA 6 is currently suppressing a need determination, which should be addressed now.

Agency Recommendation:

The Agency supports the standard LINAC methodology. Given available information and comments submitted by the August 6, 2025 deadline, and in consideration of factors discussed above, the Agency recommends approval of the petition for an adjusted need determination for one LINAC in SA 6 in the *2026 SMFP*.

¹ SA 5 consists of Alexander, Burke, Caldwell, and Catawba counties.